



Capital National Bank

No. **0-2771617**

1300 Main • P.O. Box 3347 • Houston, Texas • 77001
(713) 651-1100

Date **OCT 3 1980**

Fee \$ **100.00**

September 24, 1980

12266

RECORDATION NO. Filed 1425

ICC Washington, D. C.

Secretary of the Interstate
Commerce Commission
Washington, D.C. 20423

12266

INTERSTATE COMMERCE COMMISSION

RECORDATION NO. Filed 1425

OCT 3 1980 - 12 10 PM

Gentlemen:

INTERSTATE COMMERCE COMMISSION

In accordance with Section 20(c) of the Interstate
Commerce Act, we enclose for filing with the Commission an
original and two counterparts each of the following documents:

1. Security Agreement and Chattel Mortgage.

Debtor: Lamco, Inc.
4801 Woodway Drive
Suite 250 West
Houston, Texas 77056

Secured Party: Capital National Bank
1300 Main Street
Houston, Texas 77002

Collateral: Forty-five (45) railroad tank cars
described as follows:

23,500 gallon nominal capacity (DOT
111A100W3)

Car Marks
LAMX 23580 through
LAMX 23624, inclusive

2. Security Agreement - Accounts, Contract Rights and
General Intangibles.

Debtor: Lamco, Inc.
4801 Woodway
Suite 250 West
Houston, Texas 77056

Secured Party: Capital National Bank
1300 Main Street
Houston, Texas 77002

Collateral: All right, title and interest in
and to accounts, contract rights,
and general intangibles of Debtor,
relating to the railroad cars
described in No. 1 above.

FEE
OCT 3 12 05 PM

*See Record
14134*

Secretary of the Interstate
Commerce Commission
September 24, 1980
Page Two

We also enclose our Cashier's Check in the amount of \$100.00 as fees for recordation of the aforesaid documents.

Please return the original of each document to Capital National Bank, 1300 Main Street, Houston, Texas 77002
Attention: Ms. Dean Verner.

If you have any questions or comments, please call the undersigned collect at (713) 651-1100 or call Leighton E. Moss of Sewell & Riggs collect at (713) 652-8700.

Very truly yours,

CAPITAL NATIONAL BANK

By Dean D. Verner
Dean Verner

Interstate Commerce Commission
Washington, D.C. 20423

10/8/80

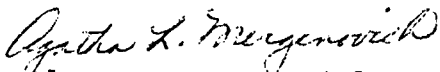
OFFICE OF THE SECRETARY

Dean Verner;
Capital National Bank
1300 Main Street
Houston, Texas 77002

Dear Ms. Verner:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 10/3/80 at 12:10pm, and assigned re-recording number(s). 12266 & 12266-A

Sincerely yours,


Agatha L. Mergenovich
Secretary

Enclosure(s)

12266
RECORDATION NO. Filed 1425

OCT 3 1980 - 12 10 PM
INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT AND CHATTEL MORTGAGE

HOUSTON, TEXAS

LAMCO, INC., a Texas corporation with its offices at 4801 Woodway Drive, Suite 250 West, Houston, Harris County, Texas 77056, hereinafter called "Debtor," and CAPITAL NATIONAL BANK, a national banking association with offices at 1300 Main at Polk, Houston, Harris County, Texas 77002, hereinafter called "Secured Party," agree as follows:

Section I. Creation of Security Interest.

Debtor hereby grants to Secured Party a security interest and a chattel mortgage in the Collateral described in Section II of this Security Agreement and Chattel Mortgage ("Security Agreement") to secure performance and payment of all obligations and indebtedness of Debtor to Secured Party of whatever kind and whenever or however created or incurred.

Section II. Collateral.

The collateral of this Security Agreement is forty-five railroad tank cars, each with 23,500 gallon capacity, built to specification DOT 111A100W3, car numbers LAMX 23580 through LAMX 23624, and all additions and accessions thereto, and proceeds thereof. The inclusion of proceeds in this Security Agreement does not authorize Debtor to sell, dispose of or otherwise use the Collateral in any manner not specifically authorized by this agreement.

Section III. Payment Obligations

(1) Debtor shall pay to Secured Party any sum or sums due or which may become due from Debtor to Secured Party in any manner or at any time, including without limitation, any sums due and owing pursuant to any promissory note or notes now or hereafter executed by Debtor to evidence indebtedness to Secured Party.

(2) Debtor shall pay to Secured Party on demand all expenses and expenditures, including reasonable attorneys' fees and other legal expenses incurred or paid by Secured Party in exercising or protecting its interests, rights and remedies under this Security Agreement, plus interest thereon at the maximum non-usurious rate permitted by law with respect to Debtor.

(3) Debtor shall pay immediately, without notice, the entire unpaid indebtedness of Debtor to Secured Party, whether created or incurred pursuant to this Security Agreement or otherwise, upon Debtor's default under Section V of this Security Agreement.

Section IV. Debtor's Representations, Warranties
and Agreements.

Debtor represents, warrants and agrees that:

(1) All information supplied and statements made by Debtor in any financial, credit or accounting statement or application for credit prior to, contemporaneously with or subsequent to the execution of this Security Agreement are and shall be true, correct, complete, valid and genuine.

(2) Except for the security interest granted in this Security Agreement, or as may otherwise exist in favor of Secured Party, there is no lien, security interest or encumbrance in or on the Collateral; and Debtor is the owner of the Collateral.

(3) Debtor's business address is the address shown at the beginning of this agreement, and Debtor will immediately notify Secured Party in writing of any change of Debtor's business address.

(4) If certificates of title are issued or outstanding with respect to any of the Collateral, Debtor will cause the interest of Secured Party to be properly noted thereon.

(5) The Collateral will be used for business use, unless Secured Party consents in writing to another use.

(6) The Collateral will not be misused or abused, wasted or allowed to deteriorate, except for the ordinary wear and tear of its intended primary use, and will not be used in violation of any statute or ordinance.

(7) Debtor will have and maintain insurance at all times with respect to all Collateral against risks of fire, theft and such other risks as Secured Party may require, including standard extended coverage, and in the case of motor vehicles, including collision coverage. Such insurance policies shall contain such terms, be in a form, for a period and be written by companies satisfactory to Secured Party. Such insurance policies shall also contain a standard mortgagee's endorsement providing for payment of any

loss to Secured Party. All policies of insurance shall provide for ten days written minimum cancellation notice to Secured Party. Debtor shall furnish Secured Party with certificates or other evidence satisfactory to Secured Party of compliance with the foregoing insurance provisions. Secured Party may act as attorney for Debtor in obtaining, adjusting, settling and cancelling such insurance and endorsing any drafts drawn by insurers of the Collateral. Secured Party may apply any proceeds of such insurance which may be received by it in payment on account of the obligations secured hereby, whether due or not.

(8) The Collateral will not be sold, transferred or disposed of by Debtor or be subjected to any unpaid charge, including rent and taxes, or to any subsequent interest of a third person created or suffered by Debtor voluntarily or involuntarily, unless Secured Party consents in advance in writing to such sale, transfer, disposition, charge or subsequent interest.

(9) Debtor will sign and execute alone or with Secured Party any Financing Statement or other document or procure any document, and pay all connected costs, necessary to protect the security interest under this Security Agreement against the rights or interests of third persons.

(10) Debtor will, at its own expense, do, make, procure, execute and deliver all acts, things, writings and assurances as Secured Party may at any time request to protect, assure or enforce its interests, rights and remedies created by, providing in or emanating from this Security Agreement.

(11) Debtor will not lend or dispose of the Collateral or any interest therein except as authorized in this Security Agreement or in writing by Secured Party, and Debtor shall keep the Collateral, including the proceeds from any disposition thereof, free from unpaid charges, including taxes, and from liens, encumbrances, and security interests other than that of Secured Party.

Section V. Events of Default.

Debtor shall be in default under this Security Agreement upon the happening of any of the following events or conditions (herein called an "Event of Default"):

(1) Debtor's failure to pay when due any indebtedness of Debtor to Secured Party, in accordance with the terms of the Loan Agreement.

(2) Default by Debtor in the punctual performance of any of the obligations, covenants, terms or provisions contained or referred to in this Security Agreement.

(3) Any warranty, representation or statement contained in this Security Agreement or made or furnished to Secured Party by or on behalf of Debtor in connection with this Security Agreement or to induce Secured Party to make a loan to Debtor proves to have been false in any material respect when made or furnished.

(4) The making of any levy, seizure or attachment of or on any of the Collateral.

(5) Any statement of the financial condition of Debtor or of any guarantor, surety or endorser of any liability of Debtor to Secured Party submitted to Secured Party or any such guarantor, surety or endorser proves to have been false in any material respect when made.

(7) Any guarantor, surety or endorser for Debtor defaults in any obligation or liability to Secured Party.

Section VI. Secured Party's Rights and Remedies.

A. Rights Exclusive of Default.

(1) This Security Agreement, Secured Party's rights hereunder or the indebtedness hereby secured may be assigned from time to time, and in any such case the Assignee shall be entitled to all of the rights, privileges and remedies granted in this Security Agreement to Secured Party against the Assignee, except those granted in this Security Agreement.

(2) Secured Party may enter upon Debtor's premises during normal business hours time to inspect the Collateral and Debtor's books and records pertaining to the Collateral, and Debtor shall assist Secured Party in making any such inspection.

(3) At its option, Secured Party may discharge taxes, liens or security interests or other encumbrances at any time levied or placed on the Collateral, may pay for insurance on the Collateral and may pay for the maintenance and preservation of the Collateral. Debtor agrees to reimburse Secured Party on demand for any payment made, or expense incurred by Secured Party pursuant to the foregoing authorization, plus interest thereon at the maximum rate permitted by law with respect to Debtor.

B. Rights in Event of Default.

(1) Upon the occurrence of an Event of Default, or if Secured Party believes that the prospect of payment of any indebtedness secured hereby or the performance of this Agreement is impaired, and at any time thereafter, Secured Party may declare all obligations secured hereby immediately due and payable and shall have the rights and remedies of a Secured Party under the Uniform Commercial Code of Texas, including without limitation thereto, the right to sell, lease or otherwise dispose of any or all of the Collateral and the right to take possession of the Collateral, and for that purpose Secured Party may enter upon any premises on which the Collateral or any part thereof may be situated and remove the same therefrom. Secured Party may require Debtor to assemble the Collateral and make it available to Secured Party at a place to be designated by Secured Party which is reasonably convenient to both parties. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Secured Party will send Debtor reasonable notice of the time and place of any public sale thereof or of the time after which any private sale or other disposition thereof is to be made. The requirement of sending reasonable notice shall be met if such notice is mailed, postage prepaid, to Debtor at the address designated at the beginning of this Security Agreement at least five days before the time of the sale or disposition. Expenses of retaking, holding, preparing for sale, selling or the like shall include Secured Party's reasonable attorney's fees and legal expenses, plus interest thereon at the maximum non-usurious rate permitted by laws of the State of Texas with respect to Debtor. Debtor shall remain liable for any deficiency.

(2) Secured Party may remedy any default and may waive any default without waiving the default remedied or without waiving any other prior or subsequent default.

(3) The remedies of Secured Party hereunder are cumulative, and the exercise of any one or more of the remedies provided for herein shall not be construed as a waiver of any of the other remedies of Secured Party.

(4) Secured Party may execute, sign, endorse, transfer or deliver in the name of Debtor notes, checks, drafts or other instruments for the payment of money and receipts, certificates of origin, applications for certificates of title or any other documents necessary to evidence, perfect or realize upon the security interest and obligations created by this Security Agreement.

Section VII. Additional Agreements.

(1) "Secured Party" and "Debtor" as used in this instrument include the heirs, executors or administrators, successors, representatives, receivers, trustees and assigns of those parties.

(2) The section headings appearing in this instrument have been inserted for convenience only and shall be given no substantive meaning or significance whatever in construing the terms and provisions of this instrument. Terms used in this instrument which are defined in the Texas Uniform Commercial Code are used with the meanings as therein defined.

(3) The law governing this secured transaction shall be that of the State of Texas in force at the date of this instrument, and all obligations hereunder shall be performed in Houston, Harris County, Texas.

DATED: September 23, 1980.

SECURED PARTY:

Capital National Bank

BY Dean D. Verner

DEBTOR:

Lamco, Inc.



THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared Charles C. Webb, Chairman of the Board of Lamco, Inc., known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that the same was the free act and deed of the said corporation, and that he executed the same as his free and voluntary act and deed, and as the free and voluntary act and deed of such corporation, for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 24th day of September, 1980.

Marcia B. Baker
Notary Public In and For
Harris County, Texas
Comm. Expires 1/28/84

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared Alan D. Orner, Assistant Vice President of CAPITAL NATIONAL BANK, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that the same was the free act and deed of the said CAPITAL NATIONAL BANK, a national banking association, and that he executed the same as his free and voluntary act and deed, and as the free and voluntary act and deed of such association, for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 24th day of September, 1980.

Sherry K. Grogan
Notary Public In and For
Harris County, Texas
Comm. Expires 5/12/84